REMARKS

The Examiner rejected claims 1-64 under 35 U.S.C. § 102(e) as being anticipated by Jacobs *et al* (Jacobs). Applicants traverse the rejection.

Claim 1 recites:

A method for providing interactive advertising comprising: providing programming to a user, wherein the programming includes content and advertisements; permitting the user to select which of the advertisements are to be played; and awarding value to the user according to which of the advertisements are played.

The claimed invention enables a user to select which advertisements are to be played as part of programming provided to the user, and the awarding of value to the user in accordance with which advertisements the user selects to be played. This is useful, for example, to allow a user to skip commercials not of interest, while watching commercials that are more interesting, exchange for a lower monthly subscription fee.

Jacobs does not disclose the claimed invention. Jacobs describes providing a full-featured version of e-mail client software (Eudora) to a user for free, in exchange for displaying advertisements to the user when the software is used. Alternatively, the user can pay a fee and receive the full-featured version without any advertisements, or the user can pay no fee, receive no advertisements, and use a featured-limited version. A user who elects to use the Adware version of Eudora—and thus get the full-featured version for free—is able to customize or modify the ad stream by providing demographic information. (See paragraph [0076].) A user who agrees to use the Adware

version of the program and then tries to subvert advertisement delivery is detected and allowed to use only the feature-limited version (paragraph [0161]).

The choice in Jacbos of using the Adware version of Eudora results in receiving a full service version of Eudroa. In that sense, the user is accorded value (the value of what the user would otherwise have to pay for the full version of Eudora) in exchange for agreeing to receive advertisements. While the user is invited to enter demographic information that may result in a different selection of advertisements being displayed depending on the demographic information of the user, the particular selection of advertisements chosen does not affect the value awarded to the user – that is, the user does not have to pay a different amount, for example, depending on which advertisements are displayed. Similarly, a "deadbeat" user who attempts to subvert ad delivery by agreeing to receive ads and then deleting them is not being awarded value based upon the playing of selected ads. Accordingly, Jacobs does not disclose "awarding value to the user according to which of the advertisements are played," as claimed.

Dependent claims 2-21 are also patentable over Jacobs, as each claim depends from patentable claim 1, and in addition recites its own patentable features.

Independent claims 22, 37, and 50, and their dependent claims 23-36, 38-49 and, 51-64 are patentable over Jacobs for reasons analogous to claims 1 and 2-21.

If any matters remain outstanding prior to allowance of the claims, the Examiner is invited to contact the undersigned attorney at (415) 875-2358 or via e-mail at dbrownstone@fenwick.com. Applicants acknowledge that a copy of any electronic mail communications will be made of record in the application file per MPEP § 502.03.

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